

Company: Tokyo Gas Co., Ltd.
 UCHIDA Takashi,
 Representative: Representative Corporate Executive
 Officer, President and CEO
 (Securities code: 9531, TSE 1 & NSE 1)
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 Group Manager

Disposal of Treasury Shares via a Third Party in Tandem with the Introduction of a Share-based Compensation Plan

Tokyo Gas Co., Ltd. (hereinafter, the “Company”) resolved at its July 28, 2021 Board of Directors meeting plans to dispose of treasury shares (hereinafter, “this treasury share disposal”), as share-based compensation, as hereby outlined below.

1. Overview of the Disposal

(1) Disposal deadline	August 16, 2021 (Monday)
(2) Class and number of shares to be disposed	Common shares of Tokyo Gas: 224,600 shares
(3) Disposal price	Price per share: 2,056.5 yen
(4) Total disposal amount	461,889,900 yen
(5) Scheduled purchasers	Sumitomo Mitsui Trust Bank, Limited (Trust Account) (Retrustee: Custody Bank of Japan, Ltd. (Trust Account))
(6) Other	A condition of this treasury share disposal shall be that the securities registration statement takes effects in line with the Financial Instruments and Exchange Act.

2. Purpose and Reasons for Disposal

The Company, at its June 29, 2021 Compensation Committee resolved to introduce a share-based compensation plan for Company directors and corporate executive officers. For an overview of the plan, refer to “Notice on the Introduction of a Share-based Compensation Plan,” which was released on June 29, 2021. In addition, it was separately decided to introduce the same share-based compensation plan for executive officers (hereinafter, the share-based compensation plan shall be referred to as “the Plan” and the directors and corporate executive officers shall be collectively referred to as “executives.”)

This treasury share disposal shall be conducted with regard to Sumitomo Mitsui Trust Bank, Limited (Trust Account), the trustee of the trust(Trust) set up to introduce the Plan.

In accordance with Share Delivery Regulations enacted by the Company, the number of shares to be disposed of when introducing the Plan shall correspond to the number of shares expected to be delivered to executives, taking into account the positions and mix of the executives during the trust period. The scale of dilution, versus 442,436,059 shares, the total number of shares outstanding as of March 31, 2021, is 0.05% (0.05% of the 4,397,282, which is the total number of voting rights, as of March 31, 2021). In both cases, the figures are rounded off to the second decimal point. The Company believes the Plan will contribute to an improvement in corporate value in the medium to long term. The number

of treasure shares to be disposed of and the scale of dilution are reasonable. The impact to the secondary market is expected to be minimal.

(Reference) Overview of the trust agreement related to this Trust

Settlor	Tokyo Gas
Trustee	Sumitomo Mitsui Trust Bank, Limited (Retrustee: Custody Bank of Japan, Ltd.)
Beneficiaries	Those individuals among the executives that satisfy beneficiary requirements
Trust administrator	A third party is scheduled to be selected that is independent from the Company and its executives
Exercise of voting rights	Throughout the trust period, voting rights related to Tokyo Gas shares in this trust will not be exercised
Type of trust	Non-monetary trust (third-party-benefit trust)
Trust agreement date	August 16, 2021
Trust period	August 16, 2021 to August 31, 2024 (tentative)
Purpose of the trust	To deliver share of Tokyo Gas to beneficiaries in accordance with the Share Delivery Regulations

3. Basis of calculation method for and specific details of the disposal price

To arrive at a disposal price that takes into account recent share price trends and eliminates arbitrariness, the disposal price was set at 2,056.5 yen, the closing share price on the Tokyo Stock Exchange on July 27, 2021 (the business day directly prior to the Board of Directors resolution).

This disposal price reflects a deviation rate of -0.89% from the average closing price of 2,075 yen (rounded off to the nearest yen) for the most recent month (June 28, 2021 - July 27, 2021) starting on the business day directly prior to the Board of Directors resolution, a deviation rate of -4.57% from the average closing price of 2,155 yen (rounded to the nearest yen) for the most recent three-month period (April 28, 2021 - July 27, 2021), and a deviation rate of -8.44% from the average closing price of 2,246 yen (rounded off to the nearest yen) for the nearest six-month period (January 28, 2021 - July 27, 2021). (All deviation rates have been rounded off to the second decimal point).

As a result of factoring in the above, the disposal price related to this treasury share disposal is not particularly advantageous for the scheduled purchasers and is therefore believed to be reasonable.

In addition, basis of calculation for the above disposal price was deemed reasonable by the Audit Committee (4 members of which three are outside directors). This disposal price is also not particularly advantageous for those to which shares are to be allocated. The committee expressed its opinion that the disposal price is legitimate.

4. Matters related to procedures in the Code of Conduct

This treasury share disposal is not accompanied by (1) a share dilution rate of under 25%, and (2) the transfer of controlling shareholders. In light of this, the Company is not required to undergo procedures to obtain the opinion of an independent third party and the confirmation of shareholder intent, as is stipulated in Article 432 of the Securities Listing Regulations set forth by the Tokyo Stock Exchange.